



State of Wisconsin
2013 - 2014 LEGISLATURE

P1
↓ stays
LRB-1763/P1
JTK/JK/TKK:all:rs
d-note

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

in 3/14/13

Today

for

3/15/13

see change p. 27 and on
d-note p. 2

Reg'n

1 **AN ACT to repeal** 11.26 (4), 11.26 (9), 11.38 (1) (a) 3. and 11.38 (2) (c); **to**
2 **renumber and amend** 11.01 (16) (b) and 11.05 (8); **to amend** 5.15 (6) (b), 5.90
3 (1), 6.34 (2), 6.34 (3) (a) 8., 7.30 (2) (a) and (b), 9.10 (2) (b), 9.10 (2) (d), 11.01 (16)
4 (intro.), 11.01 (16) (a) (intro.), 11.05 (1), 11.05 (2), 11.05 (2r), 11.05 (3) (c), 11.05
5 (12) (b), 11.06 (1) (intro.), 11.06 (1) (j), 11.12 (1) (d), 11.12 (3), 11.12 (4), 11.16 (1)
6 (d), 11.19 (2), 11.23 (1), 11.23 (3), 11.26 (1) (a), 11.26 (1) (b), 11.26 (1) (c), 11.26
7 (1) (cc), 11.26 (1) (cg), 11.26 (1) (cn), 11.26 (1) (cw), 11.26 (1) (d) 1. and 2., 11.26
8 (2) (b), 11.26 (2) (c), 11.26 (2) (cc), 11.26 (2) (cg), 11.26 (2) (cn), 11.26 (2) (cw), 11.26
9 (2) (e) 1. and 2., 11.26 (5), 11.26 (6), 11.26 (8) (a), 11.26 (8) (b), 11.26 (8) (c), 11.26
10 (17) (a), 11.29 (1), 11.38 (title) and (1) (a) 1. and 11.38 (1) (b); **to repeal and**
11 **recreate** 11.01 (16) (a) 1.; and **to create** 11.01 (11g) and (11r), 11.01 (16) (b) 1.,
12 11.05 (11g), 11.06 (1g), 11.25 (4), 11.26 (18) and 11.38 (1) (a) 4. of the statutes;
13 **relating to:** various changes in the campaign finance laws; identifying
14 documentation to establish proof of residency for voter registration; the method
15 of reporting election returns by municipalities; the method of recounting votes

- 1 cast with automatic tabulating equipment; residency of election officials; and
- 2 recall petition requirements.

Analysis by the Legislative Reference Bureau

This bill makes various changes in the campaign finance, election, and lobbying regulation laws. Significant provisions include:

Disclosure of political activity

Currently, with certain exceptions, individuals who accept contributions, organizations that make or accept contributions, and individuals who or organizations that incur obligations or make disbursements for the purpose of influencing an election for state or local office are required to register with the appropriate filing officer or agency and to file financial reports with that officer or agency, regardless of whether they act in conjunction with or independently of any candidate who is supported or opposed.

This bill provides that registration and reporting requirements apply to any communication that contains certain explicit terms with reference to a clearly identified candidate that expressly advocates the election or defeat of that candidate and unambiguously relates to that candidate. The bill also provides that these requirements do not apply to a communication made by an individual other than a candidate, or by an organization that receives donations or other income not directed at political activity, if the communication does not expressly advocate the election or defeat of a clearly identified candidate or the adoption or rejection of a question at a referendum. The change in the scope of reportable activity under the bill also affects contribution limitations and prohibitions by causing the term “contribution” to exclude the cost of any communication that is not reportable under the bill.

Corporate political activity

Under current law, corporations and cooperatives are prohibited from making contributions or disbursements (expenditures) in campaigns for state or local office. Violators are subject to a forfeiture (civil penalty) of not more than \$500 for each violation. Intentional violators are guilty of a Class I felony, which is punishable by a fine of not more than \$10,000 or imprisonment for not more than three and one-half years, or both, except that if a violation involves \$100 or less, the violation is punishable as a misdemeanor with a fine of not more than \$1,000 or imprisonment for not more than six months, or both. A recent decision of the U.S. Supreme Court casts doubt upon whether this law is enforceable as it applies to disbursements. See *Citizens United v. F.E.C.*, 130 S. Ct. 876 (2010).

This bill deletes the current prohibition on disbursements by corporations and cooperatives. The bill permits a corporation, cooperative, or other entity that is not primarily organized for political purposes to sponsor a separate individual or committee that is not organized exclusively for political purposes but makes independent disbursements. Under the bill, a corporation, cooperative, or other entity that engages in such activity is not subject to periodic reporting requirements on account of such activity, including disclosure of sources of income, unless the

corporation, cooperative, or other entity receives contributions or other income for the express purpose of making independent disbursements. However, the corporation, cooperative, or other entity must register with the appropriate filing officer, appoint a treasurer, file periodic reports of administrative expenses on behalf of the sponsored entity and contributions made to the entity, and include an attribution on its political communications. The bill also permits corporations and cooperatives to make contributions to committees that make disbursements independently of any candidate or authorized committee or agent of a candidate. Under the bill, no such committee may make a contribution to a candidate. The bill provides that corporations and cooperatives that make such contributions are not subject to periodic reporting requirements for that activity, including disclosure of sources of income, but any committee that receives such a contribution is subject to registration and periodic reporting requirements, as currently provided for such committees.

Campaign finance registration, record-keeping, and reporting thresholds

With some exceptions, current law requires an individual, candidate, group, or committee that makes or accepts a contribution, incurs an obligation, or makes a disbursement for political purposes and in an amount that exceeds \$25 to register with the Government Accountability Board. This bill increases that threshold from \$25 to \$1,000.

Under current law, a registrant is not subject to the filing requirements related to campaign financing if the registrant does not anticipate accepting contributions, making disbursements, or incurring obligations in an aggregate amount exceeding \$1,000 in a year or does not anticipate accepting any contribution from a single source, other than a candidate's contribution to his or her own campaign, exceeding \$100 in a year or, for purposes of promoting or opposing a referendum, \$750 in a year.

Under this bill, a registrant is not subject to the filing requirements if the registrant does not anticipate accepting contributions, making disbursements, or incurring obligations in an aggregate amount exceeding \$2,000 in a year or does not anticipate accepting any contribution from a single source, other than a candidate's contribution to his or her own campaign, exceeding \$200 in a year or, for purposes of promoting or opposing a referendum, \$1,500 in a year.

Expenditures made to solicit contributions to a segregated fund

Current law permits any corporation, including a foreign corporation and a limited liability company, cooperative, or association, to establish, administer, and solicit contributions to a separate segregated fund set up by the corporation, cooperative, or association for the purpose of supporting or opposing a candidate for state or local office. Although current law prohibits the corporation, association, or cooperative from making a contribution to the segregated fund, the corporation, cooperative, or association may expend up to \$500 annually for the purpose of soliciting contributions. This bill eliminates the \$500 cap on expenditures made to solicit contributions to the segregated fund.

Contribution limits

This bill increases the limits for contributions by an individual or committee to a candidate's campaign as follows:

1. For candidates for governor, lieutenant governor, secretary of state, state treasurer, attorney general, state superintendent, or justice, from \$10,000 to \$20,000.

2. For candidates for state senator, from \$1,000 to \$2,000.

3. For candidates for state assembly representative, from \$500 to \$1,000.

4. For candidates for court of appeals judge in districts within a county having a population exceeding 500,000, from \$3,000 to \$6,000.

5. For candidates for court of appeals judge in other districts, from \$2,500 to \$5,000.

6. For candidates for circuit judge in circuits having a population exceeding 300,000, from \$3,000 to \$6,000.

7. For candidates for circuit judge in other circuits, from \$1,000 to \$2,000.

8. For candidates for district attorney in prosecutorial units having a population exceeding 300,000, from \$3,000 to \$6,000.

9. For candidates for district attorney in other prosecutorial units, from \$1,000 to \$2,000.

Under current law, the limit for a individual's contribution to a candidate for local office is the greater of \$250 or an amount equal to one cent multiplied by the number of the jurisdiction's inhabitants, not to exceed \$3,000. Under the bill, the limit for a individual's contribution to a candidate for local office is the greater of \$500 or an amount equal to two cents multiplied by the number of the jurisdiction's inhabitants, not to exceed \$6,000.

Under current law, the limit for a contribution by a committee, other than a political party committee or a legislative campaign committee, is the greater of \$200 or an amount equal to three-fourths of one cent multiplied by the number of the jurisdiction's inhabitants, not to exceed \$2,500. Under the bill, the limit for a committee's contribution is the greater of \$400 or an amount equal to one and one-half cents multiplied by the number of the jurisdiction's inhabitants, not to exceed \$5,000.

Under current law, the total amount that an individual may contribute annually to all candidates for state and local offices, and to persons who are required to register for campaign financing purposes, is \$10,000. The bill eliminates this limitation.

Under current law, a political party may not receive more than \$150,000 in value of its contributions in any biennium from committees, other than political party or legislative campaign committees. The bill increases that amount to \$300,000.

Under current law, a political party may not receive more than \$6,000 in value of its contributions annually from any specific committee, excluding a political party or legislative campaign committee. The bill increases that amount to \$12,000.

The bill also increases the total value of contributions that a committee, other than a political party or legislative campaign committee, may make to a political party from \$6,000 each year to \$12,000 each year.

Finally, the bill provides that, beginning on July 1, 2015, and every two years thereafter, the Government Accountability Board will modify the contribution limits

under the campaign finance laws to adjust for the change in the consumer price index for the preceding two-year period ending on December 31.

Campaign finance record keeping

With some exceptions, current law requires an individual, candidate, group, or committee that makes or accepts a contribution, incurs an obligation, or makes a disbursement for political purposes and in an amount that exceeds \$25 to register with the Government Accountability Board. Under current law, each registrant must maintain records of any contribution, disbursement, and incurred obligation that exceeds \$10. This bill increases the \$10 record-keeping threshold to \$20.

Communications with members of certain entities

Current law permits any corporation, cooperative, unincorporated cooperative association, or voluntary association to make a disbursement for the purpose of communicating only with its members to endorse a candidate, explain its views or interests, or take a position on a referendum without being subject to reporting requirements for this activity. This bill clarifies that any such communication, while remaining exempt from the reporting requirement, may include information on how a member may contribute to an endorsed candidate.

Proof of residency for voter registration

With limited exceptions, current law requires each person who is an eligible elector and who wishes to vote in this state to first register. In certain circumstances, an eligible elector must submit proof of residence with his or her registration form or prior to being permitted to vote. For example, a person who registers in the clerk's office of his or her municipality within 20 days of an election must provide proof of residence in order to obtain registration. Current law provides a list of qualifying identifying documents and specifies the information that must appear on those documents. Identifying documents must contain the registrant's name and current address and qualifying identifying documents include a real estate tax bill, a bank statement, and a current and valid Wisconsin driver license or identification card.

This bill prohibits an elector from providing an identifying document that is stored or displayed electronically to establish proof of residence; the identifying document must be provided in hard-copy form. The bill adds to the list of qualifying identifying documents a bill for cellular or wireless telephone service for the period commencing no earlier than 90 days before election day.

Reporting of election returns by municipalities

Currently, the voters of each ward vote at the same polling place, which is generally separate from other polling places in a municipality. Election returns are reported by ward unless otherwise authorized by law. Currently, no later than 60 days before each September primary and general election, and no later than 30 days before each other election, the governing body of a municipality may combine two or more wards for voting purposes to permit the use of a common polling place. In municipalities with a population of 35,000 or more, a municipality must continue to report all election returns by ward even where wards are combined for voting purposes at a single location. Other municipalities may report returns for combined wards together unless a separate ballot is required in a partisan election, in which

case separate returns must be reported for the offices listed on each separate ballot so that the results of the various elections may be determined.

Under this bill, any municipality having a population of 35,000 or more may provide that election returns for any ward having a population of less than 20 will be combined with returns for any adjacent ward, unless separate returns are required to determine the results of an election. A municipality, however, may not combine wards if the total population of the combined wards would exceed the applicable population range for wards in that municipality. The bill allows the municipal clerk to estimate ward populations for the purpose of combining returns if the population cannot be determined from census results.

Recounting votes cast with automatic tabulating equipment

Currently, with a limited exception, a board of canvassers must use automatic tabulating equipment to conduct a recount of ballots that are in machine-readable form. However, a candidate, or an elector if the recount is for a referendum question, may petition the circuit court for an order requiring ballots in machine-readable form to be recounted by hand or by another method approved by the court. To obtain such an order, the candidate or elector must show by clear and convincing evidence that due to an irregularity, defect, or mistake committed during the voting or canvassing process the results of a recount using automatic tabulating equipment will produce incorrect results and there is a substantial probability that recounting the ballots by hand or by another method will produce a more correct result and change the outcome of the election.

This bill permits the board of canvassers conducting a recount to determine to conduct the recount of a specific election by hand unless a court orders the recount to be conducted by another method.

Residency of election officials

Current law generally requires election officials to be qualified electors of the municipality in which the officials serve. In addition, current law generally requires election officials who serve at a polling place to be qualified electors of the ward for which the polling place is established, whenever a municipality is divided into wards. However, special registration deputies who register electors at a polling place on election day, election officials who are appointed to work at a polling place that serves more than one ward, election officials who are reassigned by a municipal clerk or board of election commissioners to correct staffing deficiencies, or election officials who are appointed to fill a temporary or permanent vacancy need not be electors of any particular ward, but must be qualified electors of the municipality in which they serve. Officials who are appointed to work at a polling place that serves more than one ward must be electors of one of the wards served by the polling place. A high school pupil who is 16 or 17 years of age may serve as an inspector (poll worker) at the polling place serving his or her residence. In addition, if the municipal clerk or the executive director of a board of election commissioners or a deputy to the clerk or executive director serves as a special registration deputy or is appointed to work at a polling place to fill a vacancy in an inspector position, the clerk, executive director, or deputy need not be a resident of the municipality in which he or she serves.

This bill provides, with certain exceptions, that an individual who serves as an election official at a polling place on election day need be an elector only of a county in which the municipality where the official serves is located. An individual who serves as the chief inspector at a polling place must be a qualified elector of the municipality where he or she serves unless no qualified candidate is available or the chief inspector is appointed to fill a temporary vacancy. A high school pupil who serves as an inspector must continue to meet the current residency requirement.

Recall petition requirements

Under current law, a petition for the recall of a city, village, town, town sanitary district, or school district officer, in addition to other requirements, must indicate a reason for the recall that is related to the officer's official responsibilities. Under this bill, any person who wishes to circulate a petition for the recall of a city, village, town, town sanitary district, or school district officer must include with the person's registration under the campaign finance laws a statement indicating that the officer for whom the recall is sought has been charged with committing a crime or violating a code of ethics law applicable to local officials. The person must also include a copy of the criminal or civil complaint alleging the crime or violation.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 5.15 (6) (b) of the statutes is amended to read:

2 5.15 (6) (b) No later than 30 days before each election, the governing body of
3 any municipality may by resolution combine 2 or more wards for voting purposes to
4 facilitate using a common polling place. Whenever wards are so combined, the
5 original ward numbers shall continue to be utilized for all official purposes. Except
6 as otherwise authorized under this paragraph, every municipality having a
7 population of 35,000 or more shall maintain separate returns for each ward so
8 combined. In municipalities having a population of 35,000 or more, the governing
9 body may provide in a resolution that returns for any ward having a population of
10 less than 20 be combined with returns for any adjacent ward, if the total population
11 of the combined wards does not exceed the applicable population range under sub.
12 (2) (b) for wards in that municipality. In municipalities having a population of less
13 than 35,000, the governing body may provide in the resolution that returns shall be

1 maintained only for each group of combined wards at any election. Whenever a
2 governing body provides ~~for common ballot boxes and ballots or voting machines,~~
3 that returns shall be maintained only for combined wards under this paragraph, the
4 municipality shall report ~~separate returns shall be maintained~~ results for each
5 separate ballot required under ss. ~~5.62 and 5.58~~ to 5.64 ~~at the partisan primary and~~
6 ~~general election.~~ The municipal clerk shall transmit a copy of the resolution to the
7 county clerk of each county in which the municipality is contained. In municipalities
8 having a population of less than 35,000, the resolution shall remain in effect for each
9 election until modified or rescinded, or until a new division is made under this
10 section. Whenever needed for purposes of this paragraph, the municipal clerk shall
11 determine the population of each ward in his or her municipality. If the population
12 of a ward cannot be determined from census results, the clerk shall determine the
13 population of the smallest unit encompassing the entire ward that can be determined
14 from census results. The clerk shall then divide the land area of the ward by the land
15 area of that unit. The clerk shall then multiply that result by the population of the
16 unit to determine the population of the ward for purposes of this paragraph.

17 **SECTION 2.** 5.90 (1) of the statutes is amended to read:

18 5.90 (1) Except as otherwise provided in this subchapter, recounts of votes cast
19 on an electronic voting system shall be conducted in the manner prescribed in s. 9.01.
20 Except as provided in this subsection, sub. (2), and s. 9.01 (1) (b) 8s., if the ballots are
21 distributed to the electors, the board of canvassers shall recount the ballots with
22 automatic tabulating equipment. The board of canvassers shall test the automatic
23 tabulating equipment to be used prior to the recount as provided in s. 5.84, and then
24 the official ballots or the record of the votes cast shall be recounted on the automatic
25 tabulating equipment. In addition, the board of canvassers shall check the ballots

1 for the presence or absence of the initials and other distinguishing marks, shall
2 examine the ballots marked “Rejected”, “Defective” and “Objected to” to determine
3 the propriety of such labels, and shall compare the “Duplicate Overvoted Ballots”
4 and “Duplicate Damaged Ballots” with their respective originals to determine the
5 correctness of the duplicates. Unless a court orders a recount to be conducted by
6 another method under sub. (2), the board of canvassers may determine to conduct the
7 recount of a specific election by hand. If electronic voting machines are used, the
8 board of canvassers shall perform the recount using the permanent paper record of
9 the votes cast by each elector, as generated by the machines.

10 **SECTION 3.** 6.34 (2) of the statutes is amended to read:

11 6.34 (2) Upon completion of a registration form prescribed under s. 6.33, each
12 eligible elector who is required to register under s. 6.27, who is not a military elector
13 or an overseas elector, and who registers after the close of registration under s. 6.29
14 or 6.86 (3) (a) 2., shall provide ~~an~~ one of the identifying document that establishes
15 documents specified under sub. (3) to establish proof of residence ~~under sub. (3).~~
16 Each eligible elector who is required to register under s. 6.27, who is not a military
17 elector or an overseas elector, who registers by mail, and who has not voted in an
18 election in this state shall, if voting in person, provide ~~an~~ one of the identifying
19 ~~document that establishes~~ documents specified under sub. (3) to establish proof of
20 residence ~~under sub. (3)~~ or, if voting by absentee ballot, provide a copy of an
21 identifying document specified under sub. (3) that establishes proof of residence
22 ~~under sub. (3).~~ If the elector registered by mail, the identifying document may not
23 be a residential lease. Any identifying document provided to establish proof of
24 residence under this section may not be stored or displayed electronically, but must
25 be provided in hard-copy form.

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SECTION 4. 6.34 (3) (a) 8. of the statutes is amended to read:

6.34 (3) (a) 8. A utility bill, including a bill for cellular or wireless telephone service, for the period commencing not earlier than 90 days before the day registration is made.

SECTION 5. 7.30 (2) (a) and (b) of the statutes are amended to read:

7.30 (2) (a) Only election officials appointed under this section or s. 6.875 may conduct an election. Except as otherwise provided in this paragraph and in ss. 7.15 (1) (k) and 7.52 (1) (b), each election official shall be a qualified elector of ~~the ward or wards, or the election district, for a county in~~ which the polling place is established. ~~A special registration deputy who is appointed under s. 6.55 (6) or an election official who is appointed under this section to fill a vacancy under par. (b) need not be a resident of the ward or wards, or the election district, but shall be a resident of the municipality, except that if~~ where the official serves is located, and each chief inspector shall be a qualified elector of the municipality in which the chief inspector serves. If no qualified candidate for chief inspector is available or if the chief inspector is appointed to fill a vacancy under par. (b), the person so appointed need not be a qualified elector of the municipality. If a municipal clerk or deputy clerk serves as a registration deputy or is appointed to fill a vacancy under par. (b), the clerk or deputy clerk need not be a resident of the municipality ~~county~~, but shall be a resident of the state. No more than 2 individuals holding the office of clerk or deputy clerk may serve without regard to ~~municipal~~ county residency in any municipality at any election. Special registration deputies who are appointed under s. 6.55 (6) may be appointed to serve more than one polling place. All officials appointed under this section shall be able to read and write the English language, be capable, and be of good understanding, and may not be a candidate for any office

1 to be voted for at an election at which they serve. In 1st class cities, they may hold
2 no public office other than notary public. Except as authorized under subs. (1) (b) and
3 (4) (c), all inspectors shall be affiliated with one of the 2 recognized political parties
4 which received the largest number of votes for president, or governor in
5 nonpresidential general election years, in the ward or combination of wards served
6 by the polling place at the last election. Excluding the inspector who may be
7 appointed under sub. (1) (b), the party which received the largest number of votes is
8 entitled to one more inspector than the party receiving the next largest number of
9 votes at each polling place. ~~Election officials appointed under this section may serve~~
10 ~~the electors of more than one ward where wards are combined under s. 5.15 (6) (b).~~
11 ~~If a municipality is not divided into wards, the ward requirements in this paragraph~~
12 ~~apply to the municipality at large.~~

13 (b) When a vacancy occurs in an office under this section, the vacancy shall be
14 filled by appointment of the municipal clerk. Unless the vacancy occurs in the
15 position of an inspector appointed under sub. (1) (b), the vacancy shall be filled from
16 the remaining names on the lists submitted under sub. (4) or from additional names
17 submitted by the chairperson of the county party committee of the appropriate party
18 under sub. (4) whenever names are submitted under sub. (4) (d). If the vacancy is
19 due to candidacy, sickness or any other temporary cause, the appointment shall be
20 a temporary appointment and effective only for the election at which the temporary
21 vacancy occurs. The same qualifications that applied to original appointees shall be
22 required of persons who fill vacancies except that ~~a vacancy may be filled in cases of~~
23 ~~emergency or because of time limitations by a person who resides in another~~
24 ~~aldermanic district or ward within the municipality, and if a municipal clerk or~~
25 ~~deputy clerk fills the vacancy, the clerk or deputy, but not more than a total of 2~~

1 individuals in any municipality, may serve without regard to the clerk's or deputy's
2 ~~municipality~~ county of residence, if the clerk or deputy meets the other
3 qualifications.

4 **SECTION 6.** 9.10 (2) (b) of the statutes is amended to read:

5 9.10 (2) (b) A recall petition for a city, village, town, town sanitary district, or
6 school district ~~office officer~~ shall contain a statement ~~of a reason for the recall which~~
7 ~~is related to the official responsibilities of~~ indicating that the official for whom
8 removal is sought has been charged with committing a crime, as defined under s.
9 939.12, violating s. 19.59 (1), or violating a local ordinance establishing a local code
10 of ethics, as provided under s. 19.59 (1m).

11 **SECTION 7.** 9.10 (2) (d) of the statutes is amended to read:

12 9.10 (2) (d) No petition may be offered for filing for the recall of an officer unless
13 the petitioner first files a registration statement under s. 11.05 (1) or (2) with the
14 filing officer with whom the petition is filed. The petitioner shall append to the
15 registration a statement indicating his or her intent to circulate a recall petition, the
16 name of the officer for whom recall is sought and, in the case of a petition for the recall
17 of a city, village, town, town sanitary district, or school district officer, a statement
18 ~~of a reason for the recall which is related to the official responsibilities of~~ indicating
19 that the official for whom removal is sought has been charged with committing a
20 crime, as defined under s. 939.12, violating s. 19.59 (1), or violating a local ordinance
21 establishing a local code of ethics, as provided under s. 19.59 (1m), and a copy of the
22 criminal or civil complaint alleging the crime or violation. No petitioner may
23 circulate a petition for the recall of an officer prior to completing registration. The
24 last date that a petition for the recall of an officer may be offered for filing is 5 p.m.
25 on the 60th day commencing after registration. After the recall petition has been

1 offered for filing, no name may be added or removed. No signature may be counted
2 unless the date of the signature is within the period provided in this paragraph.

3 **SECTION 8.** 11.01 (11g) and (11r) of the statutes are created to read:

4 11.01 (11g) “Independent disbursement” means a disbursement to make a
5 communication that expressly advocates the election or defeat of a clearly identified
6 candidate, that is made without cooperation or consultation with a candidate, or any
7 authorized committee or agent of a candidate, and that is not made in concert with,
8 or at the request or suggestion of, any candidate, or any authorized committee or
9 agent of a candidate.

10 (11r) “Independent disbursement committee” means a committee that makes
11 no disbursements other than independent disbursements and disbursements made
12 for the administrative support of the committee.

13 **SECTION 9.** 11.01 (16) (intro.) of the statutes is amended to read:

14 11.01 (16) (intro.) An act is for “political purposes” when it is done for the
15 purpose of influencing the election or nomination for election of any individual to
16 state or local office, for the purpose of influencing the recall from or retention in office
17 of an individual holding a state or local office, for the purpose of payment of expenses
18 incurred as a result of a recount at an election, or for the purpose of influencing a
19 particular vote at a referendum, except as provided in par. (b). In the case of a
20 candidate, or a committee or group which is organized primarily for the purpose of
21 influencing the election or nomination for election of any individual to state or local
22 office, for the purpose of influencing the recall from or retention in office of an
23 individual holding a state or local office, or for the purpose of influencing a particular
24 vote at a referendum, all administrative and overhead expenses for the maintenance

SECTION 9

1 of an office or staff which are used principally for any such purpose are deemed to
2 be for a political purpose.

3 **SECTION 10.** 11.01 (16) (a) (intro.) of the statutes is amended to read:

4 11.01 (16) (a) (intro.) Acts which are for “political purposes” include ~~but are not~~
5 ~~limited to:~~

6 **SECTION 11.** 11.01 (16) (a) 1. of the statutes is repealed and recreated to read:

7 11.01 (16) (a) 1. The making of a communication that contains one or more
8 terms such as the following or their functional equivalents with reference to a clearly
9 identified candidate that expressly advocates the election or defeat of that candidate
10 and that unambiguously relates to the campaign of that candidate:

11 a. “Vote for.”

12 b. “Elect.”

13 c. “Support.”

14 d. “Cast your ballot for.”

15 e. “Smith for Assembly.”

16 f. “Vote against.”

17 g. “Defeat.”

18 h. “Reject.”

19 **SECTION 12.** 11.01 (16) (b) of the statutes renumbered 11.01 (16) (b) (intro.) and
20 is amended to read:

21 11.01 (16) (b) (intro.) A “political purpose” does not include ~~expenditures~~:

22 2. An expenditure made for the purpose of supporting or defending a person
23 who is being investigated for, charged with or convicted of a criminal violation of state
24 or federal law, or an agent or dependent of such a person.

25 **SECTION 13.** 11.01 (16) (b) 1. of the statutes is created to read:

1 11.01 (16) (b) 1. A communication made by an individual other than a
2 candidate, or by an organization that receives one or more contributions or other
3 income for purposes not specified in this subsection, that does not expressly advocate
4 the election or defeat of a clearly identified candidate or the adoption or rejection of
5 a question at a referendum.

6 **SECTION 14.** 11.05 (1) of the statutes is amended to read:

7 11.05 (1) COMMITTEES AND GROUPS. Except as provided in s. 9.10 (2) (d), every
8 committee other than a personal campaign committee which makes or accepts
9 contributions, incurs obligations, or makes disbursements in a calendar year in an
10 aggregate amount in excess of ~~\$25~~ \$1,000, and every political group subject to
11 registration under s. 11.23 shall file a statement with the appropriate filing officer
12 giving the information required by sub. (3). In the case of any committee other than
13 a personal campaign committee, the statement shall be filed by the treasurer. A
14 personal campaign committee shall register under sub. (2g) or (2r).

15 **SECTION 15.** 11.05 (2) of the statutes is amended to read:

16 11.05 (2) INDIVIDUALS. Except as provided in s. 9.10 (2) (d), every individual,
17 other than a candidate or agent of a candidate, who accepts contributions, incurs
18 obligations, or makes disbursements in a calendar year in an aggregate amount in
19 excess of ~~\$25~~ \$1,000 to support or oppose the election or nomination of a candidate
20 at an election and every individual subject to registration under s. 11.23 shall file a
21 statement with the appropriate filing officer giving the information required by sub.
22 (3). An individual who guarantees a loan on which an individual, committee or group
23 subject to a registration requirement defaults is not subject to registration under this
24 subsection solely as a result of such default.

25 **SECTION 16.** 11.05 (2r) of the statutes is amended to read:

1 11.05 (2r) GENERAL REPORTING EXEMPTIONS. Any committee, group, or
2 individual, other than a committee or individual required to file an oath under s.
3 11.06 (7), who or which does not anticipate accepting contributions, making
4 disbursements or incurring obligations in an aggregate amount in excess of \$1,000
5 \$2,000 in a calendar year and does not anticipate accepting any contribution or
6 contributions from a single source, other than contributions made by a candidate to
7 his or her own campaign, exceeding ~~\$100~~ \$200 in that year, or exceeding ~~\$750~~ \$1,500
8 in that year for a group or individual subject to registration under s. 11.23, may
9 indicate on its registration statement that the committee, group, or individual will
10 not accept contributions, incur obligations or make disbursements in the aggregate
11 in excess of ~~\$1,000~~ \$2,000 in any calendar year and will not accept any contribution
12 or contributions from a single source, other than contributions made by a candidate
13 to his or her own campaign, exceeding ~~\$100~~ \$200 in that year, or exceeding ~~\$750~~
14 \$1,500 in that year for a group or individual subject to registration under s. 11.23.
15 Any registrant making such an indication is not subject to any filing requirement if
16 the statement is true. The registrant need not file a termination report. A registrant
17 not making such an indication on a registration statement is subject to a filing
18 requirement. The indication may be revoked and the registrant is then subject to a
19 filing requirement as of the date of revocation, or the date that aggregate
20 contributions, disbursements or obligations for the calendar year exceed \$1,000
21 \$2,000, or the date on which the registrant accepts any contribution or contributions
22 exceeding ~~\$100~~ \$200 from a single source, or exceeding ~~\$750~~ \$1,500 from a single
23 source for a group or individual subject to registration under s. 11.23, other than
24 contributions made by a candidate to his or her own campaign, during that year,

1 whichever is earlier. If the revocation is not timely, the registrant violates s. 11.27
2 (1).

3 **SECTION 17.** 11.05 (3) (c) of the statutes is amended to read:

4 11.05 (3) (c) In the case of a committee, a statement as to whether the
5 committee is a personal campaign committee, a political party committee, a
6 legislative campaign committee, a support committee or a special interest
7 committee, and a statement as to whether the committee is a sponsored entity under
8 s. 11.38 (1) (a) 4. or an independent disbursement committee.

9 **SECTION 18.** 11.05 (8) of the statutes is renumbered 11.05 (8) (intro.) and
10 amended to read:

11 11.05 (8) CERTAIN INTRA-REGISTRANT TRANSFERS EXEMPT. (intro.) If an
12 organization ~~which~~ that is not organized exclusively for political purposes makes a
13 contribution from its own property or funds to a committee or group, affiliated with
14 the organization, ~~which is~~ and organized exclusively for political purposes, and the
15 all of the following apply, then no registration requirement applies to the
16 contributing organization:

17 (a) The contributing organization receives no contribution from a single source
18 in excess of \$20 \$100 in the aggregate during any calendar year, and it,

19 (b) The contributing organization makes no contributions or disbursements
20 and incurs no obligations other than to make the transactions specified in this
21 subsection, then no registration requirement applies to the contributing
22 organization.

23 **SECTION 19.** 11.05 (11g) of the statutes is created to read:

24 11.05 (11g) CORPORATIONS, ASSOCIATIONS, AND OTHER ENTITIES. If a corporation,
25 association, or other entity makes no contributions or disbursements other than to

1 or on behalf of one or more independent disbursement committees and receives no
2 contributions or other income for the express purpose of making independent
3 disbursements, the corporation, association, or other entity is not subject to a
4 registration requirement under this section.

5 **SECTION 20.** 11.05 (12) (b) of the statutes is amended to read:

6 11.05 (12) (b) Except as authorized under sub. (13), a committee, group or
7 individual that becomes subject to a registration requirement under sub. (1) or (2),
8 other than a candidate or agent of a candidate, shall comply with sub. (1) or (2) no
9 later than the 5th business day commencing after receipt of the first contribution by
10 the committee, group or individual exceeding the amount specified under sub. (1) or
11 (2) or s. 11.23 (1), and before making any disbursement exceeding that amount. No
12 committee or individual supporting or opposing the election or nomination of a
13 candidate at an election, other than a candidate or agent of a candidate, may accept
14 any contribution or contributions exceeding ~~\$25~~ \$1,000, and no group or individual
15 subject to registration under s. 11.23 may accept any contribution or contributions
16 exceeding ~~\$750~~ \$1,500, in the aggregate during a calendar year at any time when the
17 committee, group or individual is not registered under this section except within the
18 initial 5-day period authorized by this paragraph.

19 **SECTION 21.** 11.06 (1) (intro.) of the statutes is amended to read:

20 11.06 (1) CONTENTS OF REPORT. (intro.) Except as provided in subs. (1g), (2), (3)
21 and (3m) and ss. 11.05 (2r) and 11.19 (2), each registrant under s. 11.05 shall make
22 full reports, upon a form prescribed by the board and signed by the appropriate
23 individual under sub. (5), of all contributions received, contributions or
24 disbursements made, and obligations incurred. Each report shall contain the

1 following information, covering the period since the last date covered on the previous
2 report, unless otherwise provided:

3 **SECTION 22.** 11.06 (1) (j) of the statutes is amended to read:

4 11.06 (1) (j) In the case of a committee or individual filing an oath under sub.
5 (7), a separate schedule showing for each independent disbursement ~~which is made~~
6 ~~independently of a candidate~~, other than a contribution made to that candidate, the
7 name of the candidate or candidates on whose behalf or in opposition to whom the
8 disbursement is made, indicating whether the purpose is support or opposition.

9 **SECTION 23.** 11.06 (1g) of the statutes is created to read:

10 11.06 (1g) SPONSORING ORGANIZATIONS. A corporation, association, or other
11 entity sponsoring an individual or organization under s. 11.38 (1) (a) 4. need only
12 include in its reports under sub. (1) those contributions received by the corporation,
13 association, or other entity for the express purpose of making independent
14 disbursements, those disbursements made from those contributions or other income,
15 and those loans or other obligations that are incurred for the express purpose of
16 making independent disbursements.

17 **SECTION 24.** 11.12 (1) (d) of the statutes is amended to read:

18 11.12 (1) (d) Paragraph (a) does not apply to disbursements and obligations
19 which are exempted from reporting under s. 11.06 (1g) or (2).

20 **SECTION 25.** 11.12 (3) of the statutes is amended to read:

21 11.12 (3) All contributions, disbursements and incurred obligations exceeding
22 \$10 ~~\$20~~ shall be recorded by the campaign or committee treasurer or the individual
23 under s. 11.06 (7). He or she shall maintain such records in an organized and legible
24 manner, for not less than 3 years after the date of an election in which the registrant
25 participates. If a report is submitted under s. 11.19 (1), the records may be

1 transferred to a continuing committee or to the appropriate filing officer for
2 retention. Records shall include the information required under s. 11.06 (1).

3 **SECTION 26.** 11.12 (4) of the statutes is amended to read:

4 11.12 (4) Each registrant shall report contributions, disbursements and
5 incurred obligations in accordance with s. 11.20. Except as permitted under s. 11.06
6 (1g), (2), (3) and (3m), each report shall contain the information which is required
7 under s. 11.06 (1).

8 **SECTION 27.** 11.16 (1) (d) of the statutes is amended to read:

9 11.16 (1) (d) This subsection does not apply to disbursements and obligations
10 which are exempted from reporting under s. 11.06 (1g) or (2).

11 **SECTION 28.** 11.19 (2) of the statutes is amended to read:

12 11.19 (2) Notwithstanding sub. (1), any registrant who or which determines
13 that obligations will no longer be incurred, contributions will no longer be made or
14 received or disbursements made during a calendar year in an aggregate amount of
15 more than \$1,000 \$2,000 may file a suspension report with the appropriate filing
16 officer. The report shall be filed and certified as were previous reports and shall
17 contain the information required under s. 11.06 (1). Upon receipt of a properly
18 executed report, the registrant shall be granted a suspension of the filing
19 requirement under s. 11.20 (9) by the appropriate filing officer. Such suspension is
20 effective only for the calendar year in which it is granted, unless the registrant alters
21 its status before the end of such year or files a termination report under sub. (1).

22 **SECTION 29.** 11.23 (1) of the statutes is amended to read:

23 11.23 (1) Any group or individual may promote or oppose a particular vote at
24 any referendum in this state. Except as authorized in s. 11.05 (12) (b) and (13), before
25 a group makes or accepts contributions, makes disbursements, or incurs obligations

1 in excess of ~~\$750~~ \$1,500 in the aggregate in a calendar year for such purposes, and
2 before an individual accepts contributions, makes disbursements, or incurs
3 obligations in excess of ~~\$750~~ \$1,500 in the aggregate in a calendar year for such
4 purposes, the group or individual shall file a registration statement under s. 11.05
5 (1), (2) or (2r). In the case of a group the name and mailing address of each of its
6 officers shall be given in the statement. Every group and every individual under this
7 section shall designate a campaign depository account under s. 11.14. Every group
8 shall appoint a treasurer, who may delegate authority but is jointly responsible for
9 the actions of his or her authorized designee for purposes of civil liability under this
10 chapter. The appropriate filing officer shall be notified by a group of any change in
11 its treasurer within 10 days of the change under s. 11.05 (5). The treasurer of a group
12 shall certify the correctness of each statement or report submitted by it under this
13 chapter.

14 **SECTION 30.** 11.23 (3) of the statutes is amended to read:

15 11.23 (3) All contributions, disbursements and incurred obligations exceeding
16 ~~\$10~~ \$20 shall be recorded by the group treasurer or the individual. He or she shall
17 maintain such records in an organized and legible manner, for not less than 3 years
18 after the date of a referendum in which the group or individual participates. If a
19 report is submitted under s. 11.19 (1), the records may be transferred to a continuing
20 group or to the appropriate filing officer for retention. Records shall include the
21 information required under s. 11.06 (1).

22 **SECTION 31.** 11.25 (4) of the statutes is created to read:

23 11.25 (4) No independent disbursement committee that accepts any
24 contribution from an entity specified in s. 11.38 (1) (a) 1. may make any contribution
25 that the entity is prohibited from making under s. 11.38 (1) (a) 1.

SECTION 32. 11.26 (1) (a) of the statutes is amended to read:

11.26 (1) (a) Candidates for governor, lieutenant governor, secretary of state, state treasurer, attorney general, state superintendent, or justice, ~~\$10,000~~ \$20,000.

SECTION 33. 11.26 (1) (b) of the statutes is amended to read:

11.26 (1) (b) Candidates for state senator, ~~\$1,000~~ \$2,000.

SECTION 34. 11.26 (1) (c) of the statutes is amended to read:

11.26 (1) (c) Candidates for representative to the assembly, ~~\$500~~ \$1,000.

SECTION 35. 11.26 (1) (cc) of the statutes is amended to read:

11.26 (1) (cc) Candidates for court of appeals judge in districts ~~which~~ that contain a county having a population of more than 500,000, ~~\$3,000~~ \$6,000.

SECTION 36. 11.26 (1) (cg) of the statutes is amended to read:

11.26 (1) (cg) Candidates for court of appeals judge in other districts, ~~\$2,500~~ \$5,000.

SECTION 37. 11.26 (1) (cn) of the statutes is amended to read:

11.26 (1) (cn) Candidates for circuit judge in circuits having a population of more than 300,000, or candidates for district attorney in prosecutorial units having a population of more than 300,000, ~~\$3,000~~ \$6,000.

SECTION 38. 11.26 (1) (cw) of the statutes is amended to read:

11.26 (1) (cw) Candidates for circuit judge in other circuits or candidates for district attorney in other prosecutorial units, ~~\$1,000~~ \$2,000.

SECTION 39. 11.26 (1) (d) 1. and 2. of the statutes are amended to read:

11.26 (1) (d) 1. ~~Two~~ Five hundred fifty dollars.

2. ~~One cent~~ Two cents times the number of inhabitants of the jurisdiction or district, according to the latest federal census or the census information on which the

1 district is based, as certified by the appropriate filing officer, but not more than
2 ~~\$3,000~~ \$6,000.

3 **SECTION 40.** 11.26 (2) (b) of the statutes is amended to read:

4 11.26 (2) (b) Candidates for state senator, ~~\$1,000~~ \$2,000.

5 **SECTION 41.** 11.26 (2) (c) of the statutes is amended to read:

6 11.26 (2) (c) Candidates for representative to the assembly, ~~\$500~~ \$1,000.

7 **SECTION 42.** 11.26 (2) (cc) of the statutes is amended to read:

8 11.26 (2) (cc) Candidates for court of appeals judge in districts ~~which~~ that
9 contain a county having a population of more than 500,000, ~~\$3,000~~ \$6,000.

10 **SECTION 43.** 11.26 (2) (cg) of the statutes is amended to read:

11 11.26 (2) (cg) Candidates for court of appeals judge in other districts, ~~\$2,500~~
12 \$5,000.

13 **SECTION 44.** 11.26 (2) (cn) of the statutes is amended to read:

14 11.26 (2) (cn) Candidates for circuit judge in circuits having a population of
15 more than 300,000, or candidates for district attorney in prosecutorial units having
16 a population of more than 300,000, ~~\$3,000~~ \$6,000.

17 **SECTION 45.** 11.26 (2) (cw) of the statutes is amended to read:

18 11.26 (2) (cw) Candidates for circuit judge in other circuits or candidates for
19 district attorney in other prosecutorial units, ~~\$1,000~~ \$2,000.

20 **SECTION 46.** 11.26 (2) (e) 1. and 2. of the statutes are amended to read:

21 11.26 (2) (e) 1. ~~Two~~ Four hundred dollars.

22 2. ~~Three-fourths of one cent~~ One and one-half cents times the number of
23 inhabitants of the jurisdiction or district, according to the latest federal census or the
24 census information on which the district is based, as certified by the appropriate
25 filing officer, but not more than ~~\$2,500~~ \$5,000.

1 **SECTION 47.** 11.26 (4) of the statutes is repealed.

2 **SECTION 48.** 11.26 (5) of the statutes is amended to read:

3 11.26 (5) The contribution limits provided in ~~subs. sub.~~ (1) ~~and (4)~~ do not apply
4 to a candidate who makes any contribution or contributions to his or her own
5 campaign for office from the candidate's personal funds or property or the personal
6 funds or property which are owned jointly or as marital property with the candidate's
7 spouse, with respect to any contribution or contributions made to that candidate's
8 campaign only. A candidate's personal contributions shall be deposited in his or her
9 campaign depository account and reported in the normal manner.

10 **SECTION 49.** 11.26 (6) of the statutes is amended to read:

11 11.26 (6) When a candidate adopts a preexisting support committee as his or
12 her personal campaign committee, the support committee is deemed to have been the
13 same committee as the candidate's personal campaign committee for purposes of the
14 application of subs. (1), and (2) ~~and (9)~~. The limitations prescribed in ~~subs. sub.~~ (2)
15 ~~and (9)~~ do not apply to the transfer of contributions which is made at the time of such
16 adoption, but do apply to the contributions which have been made by any other
17 committee to the support committee at the time of adoption.

18 **SECTION 50.** 11.26 (8) (a) of the statutes is amended to read:

19 11.26 (8) (a) No political party as defined in s. 5.02 (13) may receive more than
20 a total of ~~\$150,000~~ \$300,000 in value of its contributions in any biennium from all
21 other committees, excluding contributions from legislative campaign committees
22 and transfers between party committees of the party. In this paragraph, a biennium
23 commences with January 1 of each odd-numbered year and ends with December 31
24 of each even-numbered year.

25 **SECTION 51.** 11.26 (8) (b) of the statutes is amended to read:

1 11.26 (8) (b) No such political party may receive more than a total of \$6,000
2 \$12,000 in value of its contributions in any calendar year from any specific committee
3 or its subunits or affiliates, excluding legislative campaign and political party
4 committees.

5 **SECTION 52.** 11.26 (8) (c) of the statutes is amended to read:

6 11.26 (8) (c) No committee, other than a political party or legislative campaign
7 committee, may make any contribution or contributions, directly or indirectly, to a
8 political party under s. 5.02 (13) in a calendar year exceeding a total value of \$6,000
9 \$12,000.

10 **SECTION 53.** 11.26 (9) of the statutes is repealed.

11 **SECTION 54.** 11.26 (17) (a) of the statutes is amended to read:

12 11.26 (17) (a) For purposes of application of the limitations imposed in subs.
13 (1), and (2), ~~and (9)~~, the “campaign” of a candidate begins and ends at the times
14 specified in this subsection.

15 **SECTION 55.** 11.26 (18) of the statutes is created to read:

16 11.26 (18) Beginning on July 1, 2015, and every 2 years thereafter, the board
17 shall modify the dollar amounts under subs. (1) (a) to (d), (2) (b) to (e), and (8) to adjust
18 for the change in the consumer price index, all items, U.S. city average, published
19 by the U.S. department of labor for the preceding 2-year period ending on December
20 31.

21 **SECTION 56.** 11.29 (1) of the statutes is amended to read:

22 11.29 (1) ~~Nothing in this chapter restricts any~~ A corporation, cooperative,
23 unincorporated cooperative association, or voluntary association, other than a
24 political party or personal campaign committee ~~from making disbursements, may~~
25 make a disbursement for the purpose of communicating only with its members,

1 shareholders, or subscribers, to the exclusion of all other persons, with respect to
2 ~~endorsements of candidates, positions~~ the endorsement of a candidate, taking a
3 position on a referendum ~~or explanation of, explaining~~ its views or interests, ~~or~~
4 providing information about how to make a contribution to a candidate endorsed by
5 the corporation, cooperative, or association without reporting such activity. No such
6 corporation, cooperative, or association may solicit contributions from persons who
7 are not members, shareholders, or subscribers to be used for such ~~purposes~~ activity.

8 **SECTION 57.** 11.38 (title) and (1) (a) 1. of the statutes are amended to read:

9 **11.38 (title) Contributions and disbursements by corporations and**
10 **cooperatives, certain associations, and other entities.** (1) (a) 1. No foreign or
11 domestic corporation, or association organized under ch. 185 or 193, may make any
12 contribution ~~or disbursement, directly or indirectly, either independently or through~~
13 ~~any political party, committee, group, candidate or individual for any purpose other~~
14 ~~than to promote or defeat a referendum~~ except to an independent disbursement
15 committee or a sponsored individual or committee under subd. 4.

16 **SECTION 58.** 11.38 (1) (a) 3. of the statutes is repealed.

17 **SECTION 59.** 11.38 (1) (a) 4. of the statutes is created to read:

18 **11.38 (1) (a) 4.** Any foreign or domestic corporation, association organized
19 under ch. 185 or 193, or other entity that is not primarily organized for political
20 purposes may sponsor a separate individual or committee that is not organized
21 exclusively for political purposes and may make contributions and solicit
22 contributions from other individuals or organizations to the sponsored entity to be
23 utilized by the sponsored entity for the purpose of making independent
24 disbursements in support of or in opposition to one or more candidates for state or
25 local office. The individual or committee shall appoint a treasurer and register as

1 a political committee under s. 11.05. A parent corporation, association, or other
2 entity engaging solely in this activity is not subject to registration under s. 11.05, but
3 shall register and file special reports on forms prescribed by the board disclosing its
4 administrative and solicitation expenses on behalf of the sponsored entity and any
5 contributions made by the corporation or association to the sponsored entity. The
6 corporation or association shall file an oath making the affirmation required under
7 s. 11.06 (7), shall file the reports with the filing officer for the sponsored entity
8 specified in s. 11.02 in the manner in which reports of contributions and other
9 reportable information are filed under ss. 11.12 (6) and 11.20 (4) and (8) and shall
10 include an attribution on all communications in the same manner and to the same
11 extent that attributions on political communications are required under s. 11.30 (2).

12 **SECTION 60.** 11.38 (1) (b) of the statutes is amended to read:

13 11.38 (1) (b) No political party, committee, group, candidate or individual may
14 accept any contribution ~~or disbursement~~ made to or on behalf of such individual or
15 entity which is prohibited by this section.

16 **SECTION 61.** 11.38 (2) (c) of the statutes is repealed.

17 **SECTION 62. Initial applicability.**

18 (2) (1) The treatment of section 5.90 (1) of the statutes first applies with respect
19 *move* to petitions for recounts at elections held after the effective date of this subsection.

20 (1) (2) The treatment of section 5.15 (6) (b) of the statutes first applies with respect
21 to reporting of election returns for elections held on the effective date of this
22 subsection.

23 (3) The treatment of section 11.01 (16) (intro.) and (b) 1. of the statutes first
24 applies with respect to communications made on the effective date of this subsection.

25 (END)

done

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1763/P1dn

JTK:eev&kjf:rs

March 14, 2013

Representative Bernier:

1. **Corporate political activity.** As I understand it, you have two objectives: 1) to allow corporations, cooperatives, and other entities that are not primarily organized for political purposes to sponsor or directly contribute to committees that make independent disbursements only, as labor organizations may do currently; 2) to provide reporting mechanisms for the corporations but only for their sponsorship and other independent disbursement-related activity. This draft achieves the first objective by amending s. 11.38 (1) (a) 1., stats., to eliminate the prohibition against disbursements by corporations and cooperatives and to exclude from the prohibition against contributions by corporations and cooperatives any contributions made to a sponsored entity or an independent disbursement committee. The draft achieves the second objective in proposed s. 11.38 (1) (a) 4., which establishes a limited mechanism for regulating and disclosing corporate and other independent disbursement activity. Because the independent disbursement committees are *a creature that exists under current law* and need not be created again, this draft does not create a new reporting structure for independent disbursement committees but provides that if a corporation or other entity that is not organized primarily for political purposes makes no contributions to an independent disbursement committee, that committee may not make any contribution that the corporation or other entity is prohibited from making directly [proposed s. 11.25 (4)]. Under the draft, corporations, cooperatives, and other entities that sponsor independent individuals and committees are not subject to regular registration and reporting requirements unless they receive contributions for the express purpose of making independent disbursements [proposed s. 11.05 (11g)].

2. **Definition of "political purpose."** I had some considerable difficulty trying to engraft the revised language defining "political purpose" into the statutes. Part of the difficulty arises from structure. Under current law, the term "political purposes" is defined in s. 11.01 (16), stats. This term then is incorporated into the definitions of "contribution" and "disbursement" under s. 11.01 (6) and (7), stats. Those terms are then incorporated into the definitions of "committee" and "group" under s. 11.01 (4) and (10), stats. Therefore, we cannot use the terms "political purpose," "contribution," "disbursement," "committee," or "group" to define the term "political purposes" because to do so would define that term by using its own definition, which is circular. Currently, the above terms are used 307 times in ch. 11, stats. In each instance, the surrounding

text interrelates with these terms to to make the particular provision applicable or inapplicable to various persons or situations. In each instance, the scope of regulation, if any, is thereby established. Therefore, it does not make sense to describe in isolation what is "regulated." One needs to read each provision incorporating the defined term to determine how or to what extent that provision applies. Nevertheless, this draft attempts to capture the essence of the revised language you submitted without using a term to define itself and without discussing, in isolation, what is "regulated." I recommend you consider the merits of using the simpler language we had in the /1 version. As I understand it, that language comes pretty close to achieving your purpose substantively. We might be able to use or at least work off that language. If you want to discuss this matter further or hold a meeting to discuss it, please let me know.

Jeffery T. Kuesel
Managing Attorney
Phone: (608) 266-6778

LRB-0078/1

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1763/P1dn
JTK:eev&kjf:jf

March 15, 2013

Representative Bernier:

1. **Corporate political activity.** As I understand it, you have two objectives: 1) to allow corporations, cooperatives, and other entities that are not primarily organized for political purposes to sponsor or directly contribute to committees that make independent disbursements only, as labor organizations may do currently; 2) to provide reporting mechanisms for the corporations but only for their sponsorship and other independent disbursement-related activity. This draft achieves the first objective by amending s. 11.38 (1) (a) 1., stats., to eliminate the prohibition against disbursements by corporations and cooperatives and to exclude from the prohibition against contributions by corporations and cooperatives any contributions made to a sponsored entity or an independent disbursement committee. The draft achieves the second objective in proposed s. 11.38 (1) (a) 4., which establishes a limited mechanism for regulating and disclosing corporate and other independent disbursement activity. Because the independent disbursement committees are *a creature that exists under current law* and need not be created again, this draft does not create a new reporting structure for independent disbursement committees but provides that if a corporation or other entity that is not organized primarily for political purposes makes no contributions to an independent disbursement committee, that committee may not make any contribution that the corporation or other entity is prohibited from making directly [proposed s. 11.25 (4)]. Under the draft, corporations, cooperatives, and other entities that sponsor independent individuals and committees are not subject to regular registration and reporting requirements unless they receive contributions for the express purpose of making independent disbursements [proposed s. 11.05 (11g)].

2. **Definition of "political purpose."** I had some considerable difficulty trying to engraft the revised language defining "political purpose" into the statutes. Part of the difficulty arises from structure. Under current law, the term "political purposes" is defined in s. 11.01 (16), stats. This term then is incorporated into the definitions of "contribution" and "disbursement" under s. 11.01 (6) and (7), stats. Those terms are then incorporated into the definitions of "committee" and "group" under s. 11.01 (4) and (10), stats. Therefore, we cannot use the terms "political purpose," "contribution," "disbursement," "committee," or "group" to define the term "political purposes" because to do so would define that term by using its own definition, which is circular. Currently, the above terms are used 307 times in ch. 11, stats. In each instance, the surrounding

text interrelates with these terms to to make the particular provision applicable or inapplicable to various persons or situations. In each instance, the scope of regulation, if any, is thereby established. Therefore, it does not make sense to describe in isolation what is "regulated." One needs to read each provision incorporating the defined term to determine how or to what extent that provision applies. Nevertheless, this draft attempts to capture the essence of the revised language you submitted without using a term to define itself and without discussing, in isolation, what is "regulated." I recommend you consider the merits of using the simpler language we had in LRB-0078/1. As I understand it, that language comes pretty close to achieving your purpose substantively. We might be able to use or at least work off that language. If you want to discuss this matter further or hold a meeting to discuss it, please let me know.

Jeffery T. Kuesel
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P Draft Request – Elections (Updated 3/13/13)

Campaign Finance Changes

1. Double all contribution limits throughout 11.26.
 - a. For example, the limit for governor was last changed to \$10,000 in 1974. That should be changed to \$20,000.
 - b. Tie future contribution limits to increase CPI.
2. Eliminate the \$10,000 annual limit on all individual contributions
3. Allow corporate contributions to political parties. 11.38.
 - a. Set contribution limits to match individual limit amounts.
4. Redefine “political purposes” as stated on Attachment 1
5. *Citizens United*
 - a. 11.38(1)(a)1 → currently prohibits corporations from sponsoring independent expenditures
 - i. This prohibition should be eliminated
 - b. Then, regulate corporate IEs in exactly the same manner in which we regulate individuals making IEs. Specifically, require them to:
 1. File an “Oath for Committees and Individuals Making Independent Expenditures” (GAB-6) that identifies the candidates supported or opposed, and that they aren’t working with the candidate. 11.06(7).
 2. File a “Report of IEs” (GAB-7). 11.20.
 3. File 24 hour reports if the IE occurs during the 15 days before an election. These are also made on GAB-7. 11.12(6)
 4. Disclaimers. 11.30(2)
 - c. Create a statute for contributions to IE PACs
 - i. Currently there is no mechanism for a PAC to receive money from corps/unions for IEs
 - ii. There is currently a mechanism for a PAC to accept corporate funds to pay for activities in connection with a referendum (separate bank account and political “group”)
 - iii. We should model IE PACs after the existing referendum statute. IE PACs would exist solely for sponsoring IEs and could be funded with contributions from corporations and others. IE PACs would still be required to:
 1. File an oath for independent disbursements
 2. File IE reports
 3. File 24 hour reports
 4. File campaign finance reports
 5. Use a disclaimer
6. Increase the registration threshold for independent expenditures. 11.05 (1) and (2).
 - a. Non-candidate spending over \$25 currently requires registration. Raise this to \$1,000.
7. Currently, contributions about \$20 must be disclosed on campaign finance reports, while the recordkeeping threshold is \$10.

- a. Increase the recordkeeping threshold to \$20 for consistency.
- 8. Eliminate \$500 limit on solicitation expenses for PACs/conduits (in 11.38(1)(a)3?)
- 9. Allow unclaimed/dead conduit money (4 years old or greater) to be used for administrative purposes
- 10. Regulation of volunteer internet activity: Work in progress. Do not draft yet.
- 11. Member communications [copy section 40 of LRB-0078/1]
 - a. Current law allows corporations, cooperatives, and voluntary associations to make a disbursement for communicating with its members to endorse a candidate – without being subject to reporting requirements. Clarify in 11.29(1) that that they may also include information on how a member may contribute to an endorsed candidate.
- 12. Prohibit public lobbyists from using public money for their \$250/\$400 lobbying fee
- 13. Prohibit advocacy couched as information
 - a. Example: School districts sending out info promoting a referendum

Election Administration Changes

- 1. Combined ward reporting
 - a. Agreement: adjacent wards with a population of 20 or less may combine in municipalities of 35,000 or greater.
 - b. However, normal to large wards are not allowed to report together
- 2. Hand recounts
 - a. Include the entire language of 2013 AB 24
- 3. Residency of Election Officials
 - a. Include the entire language of 2013 SB 20
- 4. Explore online registration
 - a. Charge GAB with providing, by Nov. 1, 2015, at least two plans to establish a working online registration capability
- 5. Proof of residency
 - a. Prohibit the use of electronic means of displaying proof of residency
 - b. Explicitly allow cell phone bills

Misc. Changes

- 1. Require signage at every polling place stating that election fraud is a felony pursuant to Wis. Stats. 12.13 and 12.60.

2. Eliminate special elections (except recalls) and instead schedule them for the next regularly scheduled election
3. Recall of local officials
 - a. Include the entire language of Rep. Ott's 2013 LRB-1188/1
4. Require that all lobbyists to take biennial ethics and administrative training course(s) (4 hours per biennium) administered by the GAB
5. Require all legislators to take ethics training just like legislative staffers are currently required to do

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